

2000 GENERAL ASSEMBLY

FB 2000-2002

CONFERENCE BUDGET REPORT ANALYSIS

Q. WORKFORCE DEVELOPMENT

APRIL 14, 2000

2000 REGULAR SESSION
FB 2000-2002
CONFERENCE BUDGET REPORT ANALYSIS

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CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Workforce Development

Agency: Summary
Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	52,012,600	52,012,600	52,012,600	51,847,300	50,917,300	52,447,300	53,690,200	52,353,700	54,290,200
Restricted Funds	38,915,500	38,915,500	38,915,500	42,884,500	42,884,500	42,884,500	41,304,300	41,304,300	41,304,300
Federal Funds	430,927,100	430,927,100	430,927,100	434,618,300	434,618,300	434,618,300	431,157,300	431,157,300	431,157,300
Regular Total Funds	521,855,200	521,855,200	521,855,200	529,350,100	528,420,100	529,950,100	526,151,800	524,815,300	526,751,800
General Fund Continuing	1,861,900	1,861,900	1,861,900						
GRAND TOTAL FUNDS	523,717,100	523,717,100	523,717,100	529,350,100	528,420,100	529,950,100	526,151,800	524,815,300	526,751,800
II. EXPENDITURE CATEGORY									
Personnel Costs	106,656,200	106,656,200	106,656,200	111,287,300	110,507,300	111,887,300	111,638,500	110,502,000	112,238,500
Operating Expenses	29,547,400	29,547,400	29,547,400	31,516,600	31,366,600	31,516,600	32,854,300	32,654,300	32,854,300
Grants, Loans, Benefits	385,866,000	385,866,000	385,866,000	385,729,000	385,729,000	385,729,000	381,095,700	381,095,700	381,095,700
Capital Outlay	1,647,500	1,647,500	1,647,500	817,200	817,200	817,200	563,300	563,300	563,300
TOTAL EXPENDITURES	523,717,100	523,717,100	523,717,100	529,350,100	528,420,100	529,950,100	526,151,800	524,815,300	526,751,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	52,012,600	52,012,600	52,012,600	49,361,700	49,361,700	49,361,700	50,332,400	50,332,400	50,332,400
Restricted Funds	37,965,500	37,965,500	37,965,500	42,582,400	42,582,400	42,582,400	40,984,800	40,984,800	40,984,800
Federal Funds	430,927,100	430,927,100	430,927,100	434,344,300	434,344,300	434,344,300	430,773,700	430,773,700	430,773,700
Regular Total Funds	520,905,200	520,905,200	520,905,200	526,288,400	526,288,400	526,288,400	522,090,900	522,090,900	522,090,900
General Fund Continuing	1,861,900	1,861,900	1,861,900						
TOTAL BASE LEVEL	522,767,100	522,767,100	522,767,100	526,288,400	526,288,400	526,288,400	522,090,900	522,090,900	522,090,900
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				2,485,600	1,555,600	3,085,600	3,357,800	2,021,300	3,957,800
Restricted Funds	950,000	950,000	950,000	302,100	302,100	302,100	319,500	319,500	319,500
Federal Funds				274,000	274,000	274,000	383,600	383,600	383,600
TOTAL ADDITIONAL	950,000	950,000	950,000	3,061,700	2,131,700	3,661,700	4,060,900	2,724,400	4,660,900

Agency: Summary
Appropriation Unit:

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Investment Income				250,000	250,000	250,000	425,000	425,000	425,000
Deferred Maintenance				369,000	369,000	369,000			
TOTAL CAPITAL				619,000	619,000	619,000	425,000	425,000	425,000

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Workforce Development

Agency: Workforce Development
Appropriation Unit: General Administration & Program Support

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,553,500	2,553,500	2,553,500	2,668,700	2,668,700	2,668,700	2,694,700	2,694,700	2,694,700
Restricted Funds	5,874,000	5,874,000	5,874,000	6,102,300	6,102,300	6,102,300	6,327,700	6,327,700	6,327,700
Federal Funds	3,012,500	3,012,500	3,012,500	614,000	614,000	614,000	288,200	288,200	288,200
Regular Total Funds	11,440,000	11,440,000	11,440,000	9,385,000	9,385,000	9,385,000	9,310,600	9,310,600	9,310,600
General Fund Continuing									
GRAND TOTAL FUNDS	11,440,000	11,440,000	11,440,000	9,385,000	9,385,000	9,385,000	9,310,600	9,310,600	9,310,600
II. EXPENDITURE CATEGORY									
Personnel Costs	6,022,600	6,022,600	6,022,600	6,136,300	6,136,300	6,136,300	6,355,700	6,355,700	6,355,700
Operating Expenses	2,234,100	2,234,100	2,234,100	2,165,600	2,165,600	2,165,600	2,177,900	2,177,900	2,177,900
Grants, Loans, Benefits	3,128,300	3,128,300	3,128,300	1,028,100	1,028,100	1,028,100	722,000	722,000	722,000
Capital Outlay	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000	55,000
TOTAL EXPENDITURES	11,440,000	11,440,000	11,440,000	9,385,000	9,385,000	9,385,000	9,310,600	9,310,600	9,310,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	2,553,500	2,553,500	2,553,500	2,535,100	2,535,100	2,535,100	2,527,400	2,527,400	2,527,400
Restricted Funds	5,474,000	5,474,000	5,474,000	6,072,600	6,072,600	6,072,600	6,306,700	6,306,700	6,306,700
Federal Funds	3,012,500	3,012,500	3,012,500	612,700	612,700	612,700	287,200	287,200	287,200
Regular Total Funds	11,040,000	11,040,000	11,040,000	9,220,400	9,220,400	9,220,400	9,121,300	9,121,300	9,121,300
General Fund Continuing									
TOTAL BASE LEVEL	11,040,000	11,040,000	11,040,000	9,220,400	9,220,400	9,220,400	9,121,300	9,121,300	9,121,300
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				133,600	133,600	133,600	167,300	167,300	167,300
Restricted Funds	400,000	400,000	400,000	29,700	29,700	29,700	21,000	21,000	21,000
Federal Funds				1,300	1,300	1,300	1,000	1,000	1,000
TOTAL ADDITIONAL	400,000	400,000	400,000	164,600	164,600	164,600	189,300	189,300	189,300
V. ADDITIONAL BUDGET ITEMS									
1 MTCE	Agencywide - Maintenance of Current Service Levels								
(531SA0X03)	Provide funds to support 3 vacant PFT positions in General Administration & Support.								
General Fund				119,700	119,700	119,700	122,700	122,700	122,700
Total				119,700	119,700	119,700	122,700	122,700	122,700

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Workforce Development

Cabinet/Function: Workforce Development

Appropriation Unit: General Administration & Program Support

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
4 NEW	Wage Equity Plan									
(531SA0X04)	Provide funds to support salary improvement.									
General Fund					13,900	13,900	13,900	44,600	44,600	44,600
Restricted Funds					29,700	29,700	29,700	21,000	21,000	21,000
Federal Funds					1,300	1,300	1,300	1,000	1,000	1,000
Total					44,900	44,900	44,900	66,600	66,600	66,600
5 EXPFFR	Increased Operating Expenses									
(531SA0X05)	Provide funds to support employee reclassifications resulting from the salary equity study conducted by the Department of Personnel and to support employees who where previously supported with Federal Funds.									
Restricted Funds		400,000	400,000	400,000						
Total		400,000	400,000	400,000						
TOTAL ADDITIONAL		400,000	400,000	400,000	164,600	164,600	164,600	189,300	189,300	189,300

FB 2000-2002 BUDGET MODIFICATION REPORT

General Administration and Support

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund support totaling \$119,700 in FY 2000-2001 and \$122,700 in FY 2001-2002 is provided to support personnel and operating costs for existing services.

The Branch Budget Bill, Part I, Operating Budget, appropriates \$700,000 in each fiscal year of the biennium for the operation of the School-to Careers system, and includes language provision that directs, notwithstanding any provisions of KRS 151B.250, KRS 151B.255, KRS 158.760 and KRS 158.7603 to the contrary, the Workforce Development Cabinet will have sole responsibility for this initiative.

Additional Restricted Funds support totaling \$400,000 in FY 1999-2000 is provided for employee reclassifications resulting from the salary equity study conducted by the Department of Personnel (\$250,000) and to support employees who were previously supported with Federal Funds (\$150,000).

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$20,100 in FY 2000-2001 and \$9,800 in FY 2001-2002, Restricted Funds support totaling \$42,800 in FY 2000-2001 and \$21,000 in FY 2001-2002, and Federal Funds support totaling \$1,900 in FY 2000-2001 and \$1,000 in FY 2001-2002 are budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

General Fund EMPOWER KY Simplified Administrative Services savings are budgeted in the amount of \$29,700 in FY 2000-2001 and \$97,400 in FY 2001-2002.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects: Investment Income totaling \$250,000 in FY 2000-2001 and \$425,000 in FY 2001-2002 is provided for a Maintenance Pool.

The Branch Budget Bill, Part III, General Provisions, includes language provisions that direct, it is the intent of the General Assembly that the Executive Branch implement actions necessary to achieve cost savings as intended, authorized, and directed by 1998 Kentucky Acts, and 1998 House Bill 321 (1998 Ky. Acts ch. 615, Part X), by authorizing the Executive Branch, within the limitations provided for in this Act, to transfer General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit solely within the Cabinets for Families and Children, Finance and Administration, Health Services, Justice, Natural Resources and Environmental Protection, and Workforce Development, and the Department of Education. Any transfer of General Fund appropriation amounts related to Technology Trust Fund savings from one budget unit to another budget unit shall be made only within each specified Cabinet and the Department of Education and shall be limited to the General Fund cost savings amounts identified in the 2000-2002 agency budget request and executive records. The Secretary of any of the specified cabinets and the Commissioner of the Department of Education may submit requests to the State Budget Director of the Governor's Office for Policy and Management for the transfer of General Fund appropriation authority. Such requests shall specify the need for the

FB 2000-2002 BUDGET MODIFICATION REPORT

General Administration and Support

transfer of General Fund appropriation authority and the manner in which such a transfer would better achieve the General Fund cost savings. Any transfers made under this provision for any of the cabinets identified above or the Department of Education shall result in no change to the total value of the General Fund cost savings amounts as identified in the agency budget request records recommendation and executive records for the individual cabinets specified above or the Department of Education. Any transfer made under this provision shall be made pursuant to KRS 48.500 and shall be reported, in writing, to the Interim Joint Committee on Appropriations and Revenue.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$44,900 in FY 2000-2001 and \$66,600 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Workforce Development

Cabinet/Function: Workforce Development

Appropriation Unit: General Administration & Program Support

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE									
Investment Income				250,000	250,000	250,000	425,000	425,000	425,000
TOTAL CAPITAL				250,000	250,000	250,000	425,000	425,000	425,000
II. CAPITAL PROJECTS									
1 (5310095) Maintenance Pool									
Investment Income				250,000	250,000	250,000	425,000	425,000	425,000
Total				250,000	250,000	250,000	425,000	425,000	425,000
TOTAL				250,000	250,000	250,000	425,000	425,000	425,000

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CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Workforce Development

Cabinet/Function: Workforce Development

Appropriation Unit: State Board for Adult and Technical Education

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	30,500	30,500	30,500	31,200	31,200	31,200	32,000	32,000	32,000
Regular Total Funds	30,500	30,500	30,500	31,200	31,200	31,200	32,000	32,000	32,000
General Fund Continuing									
GRAND TOTAL FUNDS	30,500	30,500	30,500	31,200	31,200	31,200	32,000	32,000	32,000
II. EXPENDITURE CATEGORY									
Personnel Costs	13,500	13,500	13,500	14,300	14,300	14,300	15,000	15,000	15,000
Operating Expenses	17,000	17,000	17,000	16,900	16,900	16,900	17,000	17,000	17,000
TOTAL EXPENDITURES	30,500	30,500	30,500	31,200	31,200	31,200	32,000	32,000	32,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	30,500	30,500	30,500	31,200	31,200	31,200	32,000	32,000	32,000
Regular Total Funds	30,500	30,500	30,500	31,200	31,200	31,200	32,000	32,000	32,000
General Fund Continuing									
TOTAL BASE LEVEL	30,500	30,500	30,500	31,200	31,200	31,200	32,000	32,000	32,000

FB 2000-2002
BUDGET MODIFICATION REPORT

State Board for Adult and Technical Education

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the Branch Budget recommendation and the House.

CONFERENCE REPORT

The Conference concurs with the Branch Budget recommendation, the House, and the Senate.

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Workforce Development

Agency: Workforce Development
Appropriation Unit: Technical Education

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	19,515,700	19,515,700	19,515,700	20,090,100	19,160,100	20,690,100	21,325,200	19,988,700	21,925,200
Restricted Funds	17,797,700	17,797,700	17,797,700	17,647,700	17,647,700	17,647,700	18,346,300	18,346,300	18,346,300
Federal Funds	10,308,000	10,308,000	10,308,000	10,338,400	10,338,400	10,338,400	10,369,200	10,369,200	10,369,200
Regular Total Funds	47,621,400	47,621,400	47,621,400	48,076,200	47,146,200	48,676,200	50,040,700	48,704,200	50,640,700
General Fund Continuing									
GRAND TOTAL FUNDS	47,621,400	47,621,400	47,621,400	48,076,200	47,146,200	48,676,200	50,040,700	48,704,200	50,640,700
II. EXPENDITURE CATEGORY									
Personnel Costs	27,563,500	27,563,500	27,563,500	29,645,300	28,865,300	30,245,300	31,415,600	30,279,100	32,015,600
Operating Expenses	8,952,200	8,952,200	8,952,200	8,923,300	8,773,300	8,923,300	9,134,600	8,934,600	9,134,600
Grants, Loans, Benefits	10,535,800	10,535,800	10,535,800	9,053,800	9,053,800	9,053,800	9,063,000	9,063,000	9,063,000
Capital Outlay	569,900	569,900	569,900	453,800	453,800	453,800	427,500	427,500	427,500
TOTAL EXPENDITURES	47,621,400	47,621,400	47,621,400	48,076,200	47,146,200	48,676,200	50,040,700	48,704,200	50,640,700
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	19,515,700	19,515,700	19,515,700	19,143,700	19,143,700	19,143,700	19,488,700	19,488,700	19,488,700
Restricted Funds	17,797,700	17,797,700	17,797,700	17,625,300	17,625,300	17,625,300	18,286,800	18,286,800	18,286,800
Federal Funds	10,308,000	10,308,000	10,308,000	10,337,200	10,337,200	10,337,200	10,369,200	10,369,200	10,369,200
Regular Total Funds	47,621,400	47,621,400	47,621,400	47,106,200	47,106,200	47,106,200	48,144,700	48,144,700	48,144,700
General Fund Continuing									
TOTAL BASE LEVEL	47,621,400	47,621,400	47,621,400	47,106,200	47,106,200	47,106,200	48,144,700	48,144,700	48,144,700
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				946,400	16,400	1,546,400	1,836,500	500,000	2,436,500
Restricted Funds				22,400	22,400	22,400	59,500	59,500	59,500
Federal Funds				1,200	1,200	1,200			
TOTAL ADDITIONAL				970,000	40,000	1,570,000	1,896,000	559,500	2,496,000
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Jackson County Area Technology Center - Operational Funding								
(546DA0X01)	Provide operational funds to support the new Jackson County Area Technology Center that is scheduled to open in FY 2001-2002, including eight (8) PFT and necessary equipment.								
General Fund							500,000	500,000	500,000
Total							500,000	500,000	500,000

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Workforce Development

Agency: Workforce Development
Appropriation Unit: Technical Education

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
2 NEW	Technical Education - Additional Staff for Equity Funding									
(546DA0X03)	Provide funds to support 3 PFT who will monitor Level III technology classes for compliance with funding criteria and course standards in the 26 technical centers operated by independent school districts.									
General Fund					130,000		130,000	136,500		136,500
Total					130,000		130,000	136,500		136,500
3 NEW	Technical Education - Technology Systems Programs									
(546DA0X04)	Provide funds to support new Computer Technology Systems Programs in the Area Technology Centers, including 25 PFT teaching positions and 20 PFT support positions.									
General Fund					800,000		800,000	1,200,000		1,200,000
Total					800,000		800,000	1,200,000		1,200,000
4 NEW	Technical Education - Salary Equity									
(546DA0X05)	Provide funds to support salary equity for staff in the Department of Technical Education and Area Technology Centers.									
General Fund							600,000			600,000
Total							600,000			600,000
5 NEW	Wage Equity Plan									
(546DA0X02)	Provide funds to support salary improvement.									
General Fund					16,400	16,400	16,400			
Restricted Funds					22,400	22,400	22,400	59,500	59,500	59,500
Federal Funds					1,200	1,200	1,200			
Total					40,000	40,000	40,000	59,500	59,500	59,500
TOTAL ADDITIONAL					970,000	40,000	1,570,000	1,896,000	559,500	2,496,000

FB 2000-2002 BUDGET MODIFICATION REPORT

Technical Education

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund support totaling \$600,000 in FY 2001-2002 is provided to support operational funding for the new Jackson County Area Technology Center scheduled to open in FY 2001-2002. Operational funding includes support for eight (8) PFT positions and necessary equipment for the Area Technology Center.

Additional General Fund support totaling \$130,000 in FY 2000-2001 and \$136,500 in FY 2001-2002 is provided to support three (3) additional PFT positions in FY 2000-2001 for the purpose of monitoring technology classes for compliance with funding criteria and course standards in the twenty-six (26) technical centers operated by local school districts.

Additional General Fund support totaling \$800,000 in FY 2000-2001 and \$1,200,000 in FY 2001-2002 is provided to support new Computer Technology Systems programs in Area Technology Centers, including fifteen (15) new Computer Technology Systems programs in FY 2000-2001 and twenty (20) programs in FY 2001-2002. Also, these funds will support twenty-five (25) additional PFT positions in FY 2000-2001 and an additional twenty (20) PFT positions in FY 2001-2002 to support the new Computer Technology Systems programs.

Additional General Fund support totaling \$1,250,000 in FY 2000-2001 and \$1,250,000 in FY 2001-2002 is provided to support salary equity for certain staff positions in the Department of Technical Education and Area Technology Centers.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$213,200 in FY 2000-2001 and \$299,700 in FY 2001-2002, Restricted Funds support totaling \$291,100 in FY 2000-2001 and \$409,400 in FY 2001-2002, and Federal Funds support totaling \$15,600 in FY 2000-2001 and \$21,900 in FY 2001-2002 are budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

General Fund EMPOWER KY Simplified Administrative Services savings are budgeted in the amount of \$85,700 in FY 2000-2001 and \$217,400 in FY 2001-2002.

The Branch Budget Bill, Part IX, Special Provisions, includes language provision relating to Participation in the Education Technology Program by Area Vocational Education Centers as follows:

a. Participation in the Education Technology Program by Area Vocational Education Centers: Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.650 to 157.665, the School Facilities Construction Commission in consultation with the Kentucky Board of Education and the Kentucky Department of Education shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds. The School Facilities Construction Commission shall include Area Vocational Education Centers in any offers of assistance to local school districts for technology assistance during the 2000-2002 fiscal biennium.

FB 2000-2002 BUDGET MODIFICATION REPORT

Technical Education

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following changes:

Additional General Fund support totaling \$500,000 in FY 2001-2002 is provided for the Jackson County Area Technology Center.

Additional General Fund support totaling \$1,250,000 in each fiscal year to support salary equity for certain staff in the Department of Technical Education and Area Technology Centers is not included.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$40,000 in FY 2000-2001 and \$59,500 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The House adds Part IX, Special Provisions, language provisions relating to Area Technical Center Equipment and One-Stop Center as follows:

b. Included in the Area Technical Center Equipment, Community Development Projects, as provided in Part II, Capital Projects are the following: \$127,000 in fiscal year 2000-2001 for the Floyd County Area Technology Center for equipment and \$125,000 in fiscal year 2000-2001 for the West Liberty Computer Repair Center.

c. One-Stop Center: The General Assembly directs \$150,000 be expended for design of a One-Stop Center to be located in Rowan County under the provisions of the Employment Service's Facility Replacement and Renovation Policy.

SENATE REPORT

The Senate concurs with the House with the following changes:

Additional General Fund support totaling \$130,000 in FY 2000-2001 and \$136,500 in FY 2001-2002 for 3 PFT positions who will monitor Level III technology classes for compliance with funding criteria and course standards is not provided.

Additional General Fund support totaling \$800,000 in FY 2000-2001 and \$ 1,200,000 in FY 2001-2002 for new Computer Technology Systems Programs in the Area Technology Centers is not provided.

The Senate deletes Part I, Operating Budget, language provisions relating to funding support for a Secondary School Technology Program in Morgan County and a Middle School Technology Program in Montgomery County.

The Senate deletes Part IX, Special Provisions, language provisions relating to Area Technical Center Equipment and One-Stop Center.

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Technical Education

CONFERENCE REPORT

The Conference concurs with the House with the following changes:

Additional General Fund support totaling \$600,000 in FY 2000-2001 and \$600,000 in FY 2001-2002 is provided to support salary equity for certain staff positions in the Department of Technical Education and Area Technology Centers.

The Conference includes Part I, Operating Budget, language provision that provides \$70,000 each fiscal year for a Secondary School Technology Program in Morgan County and \$70,000 in each fiscal year for a Middle School Technology Program in Montgomery County.

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CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Workforce Development

Agency: Workforce Development
Appropriation Unit: Adult Education and Literacy

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	12,779,400	12,779,400	12,779,400	11,005,200	11,005,200	11,005,200	11,360,300	11,360,300	11,360,300
Restricted Funds	258,000	258,000	258,000	83,300	83,300	83,300	74,300	74,300	74,300
Federal Funds	9,266,900	9,266,900	9,266,900	11,096,900	11,096,900	11,096,900	10,520,400	10,520,400	10,520,400
Regular Total Funds	22,304,300	22,304,300	22,304,300	22,185,400	22,185,400	22,185,400	21,955,000	21,955,000	21,955,000
General Fund Continuing	1,861,900	1,861,900	1,861,900						
GRAND TOTAL FUNDS	24,166,200	24,166,200	24,166,200	22,185,400	22,185,400	22,185,400	21,955,000	21,955,000	21,955,000
II. EXPENDITURE CATEGORY									
Personnel Costs	2,051,400	2,051,400	2,051,400	2,148,700	2,148,700	2,148,700	2,261,700	2,261,700	2,261,700
Operating Expenses	692,600	692,600	692,600	607,600	607,600	607,600	627,600	627,600	627,600
Grants, Loans, Benefits	21,422,200	21,422,200	21,422,200	19,429,100	19,429,100	19,429,100	19,065,700	19,065,700	19,065,700
TOTAL EXPENDITURES	24,166,200	24,166,200	24,166,200	22,185,400	22,185,400	22,185,400	21,955,000	21,955,000	21,955,000
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	12,779,400	12,779,400	12,779,400	11,001,800	11,001,800	11,001,800	11,355,600	11,355,600	11,355,600
Restricted Funds	258,000	258,000	258,000	83,300	83,300	83,300	74,300	74,300	74,300
Federal Funds	9,266,900	9,266,900	9,266,900	11,096,900	11,096,900	11,096,900	10,520,400	10,520,400	10,520,400
Regular Total Funds	22,304,300	22,304,300	22,304,300	22,182,000	22,182,000	22,182,000	21,950,300	21,950,300	21,950,300
General Fund Continuing	1,861,900	1,861,900	1,861,900						
TOTAL BASE LEVEL	24,166,200	24,166,200	24,166,200	22,182,000	22,182,000	22,182,000	21,950,300	21,950,300	21,950,300
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				3,400	3,400	3,400	4,700	4,700	4,700
TOTAL ADDITIONAL				3,400	3,400	3,400	4,700	4,700	4,700
V. ADDITIONAL BUDGET ITEMS									
2 NEW	Wage Equity Plan								
(547AA0X02)	Provide funds to support salary improvement.								
General Fund				3,400	3,400	3,400	4,700	4,700	4,700
Total				3,400	3,400	3,400	4,700	4,700	4,700
TOTAL ADDITIONAL				3,400	3,400	3,400	4,700	4,700	4,700

FB 2000-2002 BUDGET MODIFICATION REPORT

Adult Education and Literacy

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

The Branch Budget recommends \$2,000,000 annually provided to the Special Adult Education and Literacy Fund within the Department of Adult Education and Literacy be transferred to the Council on Postsecondary Education (CPE) for deposit into the Adult Education and Literacy Initiative Fund. The fund transfer was recommended by the Task Force on Adult Education and encourages a collaborative effort between the Department of Adult Education and Literacy and CPE.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$22,500 in FY 2000-2001 and \$32,700 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

General Fund Empower Kentucky Simplified Administrative Services savings are budgeted in the amount of \$3,000 in FY 2000-2001 and \$6,900 in FY 2001-2002.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$3,400 in FY 2000-2001 and \$4,700 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Workforce Development

Agency: Workforce Development
Appropriation Unit: Vocational Rehabilitation

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	9,872,800	9,872,800	9,872,800	10,729,800	10,729,800	10,729,800	11,160,100	11,160,100	11,160,100
Restricted Funds	2,906,500	2,906,500	2,906,500	2,847,200	2,847,200	2,847,200	3,116,900	3,116,900	3,116,900
Federal Funds	41,319,500	41,319,500	41,319,500	38,341,700	38,341,700	38,341,700	39,242,200	39,242,200	39,242,200
Regular Total Funds	54,098,800	54,098,800	54,098,800	51,918,700	51,918,700	51,918,700	53,519,200	53,519,200	53,519,200
General Fund Continuing									
GRAND TOTAL FUNDS	54,098,800	54,098,800	54,098,800	51,918,700	51,918,700	51,918,700	53,519,200	53,519,200	53,519,200

II. EXPENDITURE CATEGORY

Personnel Costs	21,273,800	21,273,800	21,273,800	22,372,100	22,372,100	22,372,100	23,356,800	23,356,800	23,356,800
Operating Expenses	5,164,500	5,164,500	5,164,500	5,281,500	5,281,500	5,281,500	5,409,900	5,409,900	5,409,900
Grants, Loans, Benefits	27,512,900	27,512,900	27,512,900	24,179,700	24,179,700	24,179,700	24,684,700	24,684,700	24,684,700
Capital Outlay	147,600	147,600	147,600	85,400	85,400	85,400	67,800	67,800	67,800
TOTAL EXPENDITURES	54,098,800	54,098,800	54,098,800	51,918,700	51,918,700	51,918,700	53,519,200	53,519,200	53,519,200

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	9,872,800	9,872,800	9,872,800	10,061,000	10,061,000	10,061,000	10,290,200	10,290,200	10,290,200
Restricted Funds	2,406,500	2,406,500	2,406,500	2,647,200	2,647,200	2,647,200	2,911,900	2,911,900	2,911,900
Federal Funds	41,319,500	41,319,500	41,319,500	38,315,100	38,315,100	38,315,100	39,200,000	39,200,000	39,200,000
Regular Total Funds	53,598,800	53,598,800	53,598,800	51,023,300	51,023,300	51,023,300	52,402,100	52,402,100	52,402,100
General Fund Continuing									
TOTAL BASE LEVEL	53,598,800	53,598,800	53,598,800	51,023,300	51,023,300	51,023,300	52,402,100	52,402,100	52,402,100

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				668,800	668,800	668,800	869,900	869,900	869,900
Restricted Funds	500,000	500,000	500,000	200,000	200,000	200,000	205,000	205,000	205,000
Federal Funds				26,600	26,600	26,600	42,200	42,200	42,200
TOTAL ADDITIONAL	500,000	500,000	500,000	895,400	895,400	895,400	1,117,100	1,117,100	1,117,100

V. ADDITIONAL BUDGET ITEMS

1 MTCE Carl D. Perkins Center & Program Services - Maintenance of Current Services

(551ED0X01) Provide funds to support operating expenses and to maintain client service levels for the Carl D. Perkins Comprehensive Rehabilitation Center and Program Services.

General Fund				368,800	368,800	368,800	569,900	569,900	569,900
Restricted Funds	500,000	500,000	500,000	200,000	200,000	200,000	205,000	205,000	205,000
Total	500,000	500,000	500,000	568,800	568,800	568,800	774,900	774,900	774,900

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Workforce Development

Cabinet/Function: Workforce Development

Appropriation Unit: Vocational Rehabilitation

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
4	EXPAN	Program Services - Deaf Services for Students in Postsecondary Institutions								
(551EE0X03)		Provide funds to support deaf and interpreter services for students of postsecondary institutions who are deaf and hard of hearing.								
General Fund					300,000	300,000	300,000	300,000	300,000	300,000
Total					300,000	300,000	300,000	300,000	300,000	300,000
5	NEW	Wage Equity Plan								
(551ED0X02)		Provide funds to support salary improvement.								
Federal Funds					26,600	26,600	26,600	42,200	42,200	42,200
Total					26,600	26,600	26,600	42,200	42,200	42,200
TOTAL ADDITIONAL		500,000	500,000	500,000	895,400	895,400	895,400	1,117,100	1,117,100	1,117,100

FB 2000-2002 BUDGET MODIFICATION REPORT

Vocational Rehabilitation

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional Restricted Funds support totaling \$500,000 in FY 1999-2000 is provided to support the increased costs of current program and client services at the Carl D. Perkins Comprehensive Rehabilitation Center and Program Services.

Additional General Fund support totaling \$368,800 in FY 2000-2001, \$569,900 in FY 2001-2002, and additional Restricted Funds support totaling \$200,000 in FY 2000-2001 and \$205,000 in FY 2001-2002 are provided to support the increased costs of current programs and client services at the Carl D. Perkins Comprehensive Rehabilitation Center and Program Services.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$21,300 in FY 2000-2001, Restricted Funds support totaling \$1,300 in FY 2000-2001, and Federal Funds support totaling \$110,600 in FY 2000-2001 are budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

General Fund EMPOWER KY Simplified Administrative savings are budgeted in the amount of \$5,800 in FY 2000-2001 and \$17,100 in FY 2001-2002.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property in Franklin County with a cost that exceeds \$200,000 per year.

The Branch Budget Bill, Part II, Capital Projects Budget, provides funding for the following capital projects and equipment purchases: Deferred Maintenance Funds totaling \$369,000 in FY 2000-2001 to support the replacement of HVAC system at the Carl D. Perkins Comprehensive Rehabilitation Center.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following changes:

Additional General Fund support totaling \$300,000 in each fiscal year is provided for deaf and interpreter services for students of postsecondary institutions who are deaf and hard of hearing.

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$26,600 in FY 2000-2001 and \$42,200 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

FB 2000-2002
BUDGET MODIFICATION REPORT

Vocational Rehabilitation

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Workforce Development

Cabinet/Function: Workforce Development

Appropriation Unit: Vocational Rehabilitation

FY 1999-2000			FY 2000-2001			FY 2001-2002		
House	Senate	Conference	House	Senate	Conference	House	Senate	Conference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

Deferred Maintenance	369,000	369,000	369,000
TOTAL CAPITAL	369,000	369,000	369,000

II. CAPITAL PROJECTS

1 (5510102) Franklin County - Lease			
Total			
2 (5510092) Carl D. Perkins Center - Rooftop Unit Replacement			
Deferred Maintenance	369,000	369,000	369,000
Total	369,000	369,000	369,000

TOTAL	369,000	369,000	369,000
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CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Workforce Development

Agency: Workforce Development
Appropriation Unit: Department for the Blind

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	2,131,100	2,131,100	2,131,100	2,069,600	2,069,600	2,069,600	1,739,100	1,739,100	1,739,100
Restricted Funds	2,004,400	2,004,400	2,004,400	1,475,700	1,475,700	1,475,700	1,436,200	1,436,200	1,436,200
Federal Funds	7,207,500	7,207,500	7,207,500	7,231,900	7,231,900	7,231,900	7,502,400	7,502,400	7,502,400
Regular Total Funds	11,343,000	11,343,000	11,343,000	10,777,200	10,777,200	10,777,200	10,677,700	10,677,700	10,677,700
General Fund Continuing									
GRAND TOTAL FUNDS	11,343,000	11,343,000	11,343,000	10,777,200	10,777,200	10,777,200	10,677,700	10,677,700	10,677,700

II. EXPENDITURE CATEGORY

Personnel Costs	6,065,300	6,065,300	6,065,300	5,957,200	5,957,200	5,957,200	6,150,400	6,150,400	6,150,400
Operating Expenses	1,287,900	1,287,900	1,287,900	1,304,400	1,304,400	1,304,400	1,306,500	1,306,500	1,306,500
Grants, Loans, Benefits	3,989,800	3,989,800	3,989,800	3,502,600	3,502,600	3,502,600	3,207,800	3,207,800	3,207,800
Capital Outlay				13,000	13,000	13,000	13,000	13,000	13,000
TOTAL EXPENDITURES	11,343,000	11,343,000	11,343,000	10,777,200	10,777,200	10,777,200	10,677,700	10,677,700	10,677,700

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	2,131,100	2,131,100	2,131,100	1,336,200	1,336,200	1,336,200	1,259,700	1,259,700	1,259,700
Restricted Funds	2,004,400	2,004,400	2,004,400	1,475,700	1,475,700	1,475,700	1,436,200	1,436,200	1,436,200
Federal Funds	7,207,500	7,207,500	7,207,500	7,197,700	7,197,700	7,197,700	7,452,200	7,452,200	7,452,200
Regular Total Funds	11,343,000	11,343,000	11,343,000	10,009,600	10,009,600	10,009,600	10,148,100	10,148,100	10,148,100
General Fund Continuing									
TOTAL BASE LEVEL	11,343,000	11,343,000	11,343,000	10,009,600	10,009,600	10,009,600	10,148,100	10,148,100	10,148,100

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				733,400	733,400	733,400	479,400	479,400	479,400
Federal Funds				34,200	34,200	34,200	50,200	50,200	50,200
TOTAL ADDITIONAL				767,600	767,600	767,600	529,600	529,600	529,600

V. ADDITIONAL BUDGET ITEMS**1 MTCE General Blind Services & Independent Living - Maintenance of Current Services**

(534EC0X01) Provide funds to match federal monies, dollar-for-dollar, from the federal Rehabilitation Act of 1973 for General Blind Services, and provide funding to support personnel.

General Fund				133,400	133,400	133,400	179,400	179,400	179,400
Total				133,400	133,400	133,400	179,400	179,400	179,400

3 EXPAN KY Industries for the Blind - Transitional Costs

(534E00X01) Provide funds to finalize the transition of the Kentucky Industries for the Blind from a division of state government to a private, not-for-profit entity effective July 1, 2000.

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch

Agency: Workforce Development

Cabinet/Function: Workforce Development

Appropriation Unit: Department for the Blind

		FY 1999-2000			FY 2000-2001			FY 2001-2002		
		House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
V. ADDITIONAL BUDGET ITEMS										
3	EXPAN	KY Industries for the Blind - Transitional Costs								
(534E00X01)	Provide funds to finalize the transition of the Kentucky Industries for the Blind from a division of state government to a private, not-for-profit entity effective July 1, 2000.									
General Fund					600,000	600,000	600,000	300,000	300,000	300,000
Total					600,000	600,000	600,000	300,000	300,000	300,000
4	NEW	Wage Equity Plan								
(534EC0X02)	Provide funds to support salary improvement.									
Federal Funds					34,200	34,200	34,200	50,200	50,200	50,200
Total					34,200	34,200	34,200	50,200	50,200	50,200
TOTAL ADDITIONAL					767,600	767,600	767,600	529,600	529,600	529,600

FB 2000-2002 BUDGET MODIFICATION REPORT

Department for the Blind

BRANCH BUDGET

The Branch recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional General Fund support totaling \$133,400 in FY 2000-2001 and \$179,400 in FY 2001-2002 is provided to maintain Federal Funds match requirements for grant expenditures.

Additional General Fund support totaling \$600,000 in FY 2000-2001 and \$300,000 in FY 2001-2002 is provided to support the transition of the Kentucky Industries for the Blind from a Kentucky state government agency to a non-profit agency as of June 30, 2000. Effective July 1, 2000, staff persons employed by the Kentucky Industries for the Blind will become employees of the non-profit operation.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional General Fund support totaling \$8,500 in FY 2000-2001 and \$9,000 in FY 2001-2002, Restricted Funds support totaling \$7,100 in FY 2000-2001 and \$7,500 in FY 2001-2002, and Federal Funds support totaling \$55,600 in FY 2000-2001 and \$58,700 in FY 2001-2002 are budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

General Fund EMPOWER KY Simplified Administrative Services savings are budgeted in the amount of \$800 in FY 2000-2001 and \$5,100 in FY 2001-2002.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property in Franklin County with a cost that exceeds \$200,000 per year.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$34,200 in FY 2000-2001 and \$50,200 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch:	Executive Branch	Agency:	Workforce Development
Cabinet/Function:	Workforce Development	Appropriation Unit:	Department for the Blind

FY 1999-2000			FY 2000-2001			FY 2001-2002		
House	Senate	Conference	House	Senate	Conference	House	Senate	Conference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 (5510102) Franklin County - Lease

Total

TOTAL

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Workforce Development

Agency: Workforce Development
Appropriation Unit: State Board for Proprietary Education

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	112,500	112,500	112,500	116,100	116,100	116,100	119,400	119,400	119,400
Regular Total Funds	112,500	112,500	112,500	116,100	116,100	116,100	119,400	119,400	119,400
General Fund Continuing									
GRAND TOTAL FUNDS	112,500	112,500	112,500	116,100	116,100	116,100	119,400	119,400	119,400
II. EXPENDITURE CATEGORY									
Personnel Costs	96,800	96,800	96,800	100,400	100,400	100,400	103,700	103,700	103,700
Operating Expenses	15,700	15,700	15,700	15,700	15,700	15,700	15,700	15,700	15,700
TOTAL EXPENDITURES	112,500	112,500	112,500	116,100	116,100	116,100	119,400	119,400	119,400
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	112,500	112,500	112,500	116,100	116,100	116,100	119,400	119,400	119,400
Regular Total Funds	112,500	112,500	112,500	116,100	116,100	116,100	119,400	119,400	119,400
General Fund Continuing									
TOTAL BASE LEVEL	112,500	112,500	112,500	116,100	116,100	116,100	119,400	119,400	119,400

FB 2000-2002 BUDGET MODIFICATION REPORT

State Board for Proprietary Education

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exception:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Restricted Funds support totaling \$400 in FY 2000-2001 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Workforce Development

Agency: Workforce Development
Appropriation Unit: Teachers' Retirement-Employer's Contribution

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	4,530,500	4,530,500	4,530,500	4,639,200	4,639,200	4,639,200	4,750,600	4,750,600	4,750,600
Regular Total Funds	4,530,500	4,530,500	4,530,500	4,639,200	4,639,200	4,639,200	4,750,600	4,750,600	4,750,600
General Fund Continuing									
GRAND TOTAL FUNDS	4,530,500	4,530,500	4,530,500	4,639,200	4,639,200	4,639,200	4,750,600	4,750,600	4,750,600
II. EXPENDITURE CATEGORY									
Personnel Costs	4,530,500	4,530,500	4,530,500	4,639,200	4,639,200	4,639,200	4,750,600	4,750,600	4,750,600
TOTAL EXPENDITURES	4,530,500	4,530,500	4,530,500	4,639,200	4,639,200	4,639,200	4,750,600	4,750,600	4,750,600
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	4,530,500	4,530,500	4,530,500	4,639,200	4,639,200	4,639,200	4,750,600	4,750,600	4,750,600
Regular Total Funds	4,530,500	4,530,500	4,530,500	4,639,200	4,639,200	4,639,200	4,750,600	4,750,600	4,750,600
General Fund Continuing									
TOTAL BASE LEVEL	4,530,500	4,530,500	4,530,500	4,639,200	4,639,200	4,639,200	4,750,600	4,750,600	4,750,600

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Teachers' Retirement-Employer's Contribution

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exception:

The Branch Budget Bill, Part I, Operating Budget, includes language provision that directs, the employer match for salaries paid to Workforce Development Cabinet employees who participate in the Teachers' Retirement System shall be forwarded to the Teachers' Retirement System pursuant to KRS 161.560.

HOUSE REPORT

The House concurs with the Branch Budget recommendation.

SENATE REPORT

The Senate concurs with the Branch Budget recommendation and the House.

CONFERENCE REPORT

The Conference concurs with the Branch Budget recommendation, the House, and the Senate.

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Workforce Development

Agency: Workforce Development
Appropriation Unit: Training and ReEmployment

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
Restricted Funds	67,500	67,500	67,500	67,500	67,500	67,500	51,500	51,500	51,500
Federal Funds	51,361,100	51,361,100	51,361,100	62,768,200	62,768,200	62,768,200	58,762,000	58,762,000	58,762,000
Regular Total Funds	51,428,600	51,428,600	51,428,600	62,835,700	62,835,700	62,835,700	58,813,500	58,813,500	58,813,500
General Fund Continuing									
GRAND TOTAL FUNDS	51,428,600	51,428,600	51,428,600	62,835,700	62,835,700	62,835,700	58,813,500	58,813,500	58,813,500
II. EXPENDITURE CATEGORY									
Personnel Costs	1,682,800	1,682,800	1,682,800	1,784,100	1,784,100	1,784,100	1,833,600	1,833,600	1,833,600
Operating Expenses	479,300	479,300	479,300	497,800	497,800	497,800	525,100	525,100	525,100
Grants, Loans, Benefits	49,266,500	49,266,500	49,266,500	60,553,800	60,553,800	60,553,800	56,454,800	56,454,800	56,454,800
TOTAL EXPENDITURES	51,428,600	51,428,600	51,428,600	62,835,700	62,835,700	62,835,700	58,813,500	58,813,500	58,813,500
III. BASE LEVEL BUDGET BY FUND SOURCE									
Restricted Funds	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500
Federal Funds	51,361,100	51,361,100	51,361,100	62,766,300	62,766,300	62,766,300	58,759,300	58,759,300	58,759,300
Regular Total Funds	51,378,600	51,378,600	51,378,600	62,783,800	62,783,800	62,783,800	58,776,800	58,776,800	58,776,800
General Fund Continuing									
TOTAL BASE LEVEL	51,378,600	51,378,600	51,378,600	62,783,800	62,783,800	62,783,800	58,776,800	58,776,800	58,776,800
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Restricted Funds	50,000	50,000	50,000	50,000	50,000	50,000	34,000	34,000	34,000
Federal Funds				1,900	1,900	1,900	2,700	2,700	2,700
TOTAL ADDITIONAL	50,000	50,000	50,000	51,900	51,900	51,900	36,700	36,700	36,700
V. ADDITIONAL BUDGET ITEMS									
1 MTCFFR	Welfare-to-Work - Administrative Operations								
(536FB0X01)	Provide for the receipt of funds to be transferred from the Cabinet for Families and Children to OTR under contractual agreement for performance of administrative functions relating to the Welfare-to-Work Block Grant.								
Restricted Funds	50,000	50,000	50,000	50,000	50,000	50,000	34,000	34,000	34,000
Total	50,000	50,000	50,000	50,000	50,000	50,000	34,000	34,000	34,000
2 NEW	Wage Equity Plan								
(536FB0X02)	Provide funds to support salary improvement.								

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch		Agency: Workforce Development							
Cabinet/Function: Workforce Development		Appropriation Unit: Training and ReEmployment							
FY 1999-2000			FY 2000-2001			FY 2001-2002			
House	Senate	Conference	House	Senate	Conference	House	Senate	Conference	
V. ADDITIONAL BUDGET ITEMS									
2 NEW	Wage Equity Plan								
(536FB0X02)	Provide funds to support salary improvement.								
Federal Funds			1,900	1,900	1,900	2,700	2,700	2,700	
Total			1,900	1,900	1,900	2,700	2,700	2,700	
TOTAL ADDITIONAL	50,000	50,000	50,000	51,900	51,900	51,900	36,700	36,700	36,700

FB 2000-2002 BUDGET MODIFICATION REPORT

Training and Reemployment

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Additional Restricted Funds support totaling \$50,000 in FY 1999-2000, \$50,000 in FY 2000-2001, and \$34,000 in FY 2001-2002 are provided to support the performance of certain administrative functions of the Welfare-to-Work Block Grant programs.

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Federal Funds support totaling \$36,900 in FY 2000-2001 and \$51,300 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part II, Capital Projects Budget, authorizes the lease of real property in Franklin County with a cost that exceeds \$200,000 per year.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$1,900 in FY 2000-2001 and \$2,700 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate.

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- CAPITAL BUDGET SUMMARY

Governmental Branch:	Executive Branch	Agency:	Workforce Development
Cabinet/Function:	Workforce Development	Appropriation Unit:	Training and ReEmployment

FY 1999-2000			FY 2000-2001			FY 2001-2002		
House	Senate	Conference	House	Senate	Conference	House	Senate	Conference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 (5510102) Franklin County - Lease

Total

TOTAL

CONFERENCE BUDGET REPORT ANALYSIS
2000 GENERAL ASSEMBLY -- OPERATING BUDGET SUMMARY

Governmental Branch: Executive Branch
Cabinet/Function: Workforce Development

Agency: Workforce Development
Appropriation Unit: Employment Services

	FY 1999-2000			FY 2000-2001			FY 2001-2002		
	House	Senate	Conference	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	599,100	599,100	599,100	613,500	613,500	613,500	628,200	628,200	628,200
Restricted Funds	9,894,900	9,894,900	9,894,900	14,544,700	14,544,700	14,544,700	11,832,000	11,832,000	11,832,000
Federal Funds	308,451,600	308,451,600	308,451,600	304,227,200	304,227,200	304,227,200	304,472,900	304,472,900	304,472,900
Regular Total Funds	318,945,600	318,945,600	318,945,600	319,385,400	319,385,400	319,385,400	316,933,100	316,933,100	316,933,100
General Fund Continuing									
GRAND TOTAL FUNDS	318,945,600	318,945,600	318,945,600	319,385,400	319,385,400	319,385,400	316,933,100	316,933,100	316,933,100
II. EXPENDITURE CATEGORY									
Personnel Costs	37,356,000	37,356,000	37,356,000	38,489,700	38,489,700	38,489,700	35,395,400	35,395,400	35,395,400
Operating Expenses	10,704,100	10,704,100	10,704,100	12,703,800	12,703,800	12,703,800	13,640,000	13,640,000	13,640,000
Grants, Loans, Benefits	270,010,500	270,010,500	270,010,500	267,981,900	267,981,900	267,981,900	267,897,700	267,897,700	267,897,700
Capital Outlay	875,000	875,000	875,000	210,000	210,000	210,000			
TOTAL EXPENDITURES	318,945,600	318,945,600	318,945,600	319,385,400	319,385,400	319,385,400	316,933,100	316,933,100	316,933,100
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	599,100	599,100	599,100	613,500	613,500	613,500	628,200	628,200	628,200
Restricted Funds	9,894,900	9,894,900	9,894,900	14,544,700	14,544,700	14,544,700	11,832,000	11,832,000	11,832,000
Federal Funds	308,451,600	308,451,600	308,451,600	304,018,400	304,018,400	304,018,400	304,185,400	304,185,400	304,185,400
Regular Total Funds	318,945,600	318,945,600	318,945,600	319,176,600	319,176,600	319,176,600	316,645,600	316,645,600	316,645,600
General Fund Continuing									
TOTAL BASE LEVEL	318,945,600	318,945,600	318,945,600	319,176,600	319,176,600	319,176,600	316,645,600	316,645,600	316,645,600
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
Federal Funds				208,800	208,800	208,800	287,500	287,500	287,500
TOTAL ADDITIONAL				208,800	208,800	208,800	287,500	287,500	287,500
V. ADDITIONAL BUDGET ITEMS									
1 NEW	Wage Equity Plan								
(538BAAX01)	Provide funds to support salary improvement.								
Federal Funds				208,800	208,800	208,800	287,500	287,500	287,500
Total				208,800	208,800	208,800	287,500	287,500	287,500
TOTAL ADDITIONAL				208,800	208,800	208,800	287,500	287,500	287,500

FB 2000-2002 BUDGET MODIFICATION REPORT

Employment Services

BRANCH BUDGET

The Branch Budget recommends funding for existing services and programs in FB 2000-2002 with the following exceptions:

Wage Equity Plan funding, which includes the value of an annual 5% adjustment in personnel costs, supplemented with additional Federal Funds support totaling \$787,500 in FY 2000-2001 and \$1,472,000 in FY 2001-2002 is budgeted to provide a guaranteed COLA salary adjustment for each employee on July 1 each fiscal year equal to 2.4%. Additional salary adjustments equal to 1%, 2%, or 3% are provided for employees on anniversary increment dates based upon their length of service in his/her current job classification/grade. Individual employee salaries may also be increased due to proposed annual 2.4% COLA increase in the state salary schedule or wage scale adjustments for selective job reclassifications to reduce non-competitive salary market.

The Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct the following:

- (1) Funds from the Unemployment Insurance Penalty and Interest Account shall be used during each fiscal year by the Department for Employment Services to operate employment and training programs, notwithstanding KRS 341.835;
- (2) Restricted Funds totaling \$4,067,600 in FY 2000-2001 and \$4,053,500 in FY 2001-2002 shall be transferred from the Cabinet for Families and Children for the purpose of providing job placement and training services to recipients of the Temporary Assistance for Needy Families (TANF) Program through a contractual agreement; and
- (3) There is appropriated out of the Federal Funds made available under Section 903 of the Social Security Act, as amended, the sum of \$1,000,000 during FB 2000-2002 to be used under the direction of the Department for Employment Services for the purpose of administration of its unemployment compensation law and public employment offices.

HOUSE REPORT

The House concurs with the Branch Budget recommendation with the following changes:

The modified Wage Equity Plan in Part IV, as proposed for the revised Executive Budget, includes funding for the regular 5% annual increment for each employee. In addition, funds are provided in the amount of \$208,800 in FY 2000-2001 and \$287,500 in FY 2001-2002 for employees' salaries affected by raising the entry level wage of all pay grades by an additional 7.4% on July 1, 2000, and on July 1, 2001, raising the job grade classifications that are three, four, or five pay grades below their proper pay grade as determined by the Personnel Cabinet and by providing that on July 1 of each year employees who are not in probationary status be paid no less than 105 percent of the entry level wage for their job classification.

The House adds Part IX, Special Provisions, Facility Replacement/Renovation Policy as follows:

- a. Facility Replacement/Renovation Policy: The Department for Employment Services is authorized to develop and implement a facility replacement and renovation program the purposes of which are to improve the quality of Workforce Development Cabinet facilities used by the Department for Employment Services and its clients, and to reduce departmental reliance on lease/rental properties.

**FB 2000-2002
BUDGET MODIFICATION REPORT**

Employment Services

The Department is directed to coordinate this program with the Secretary of the Finance and Administration Cabinet and the Department for Facilities Management in the Finance and Administration Cabinet. The Department is authorized to expend any proceeds acquired from the sale, transfer, or other disposition of the existing Department for Employment Services facilities toward the purchase, construction, renovation, and equipping and furnishing of replacement facilities. Expenditures authorized by this provision are limited to the use of funds solely derived from the sale of Cabinet-owned facilities, which equity rights are shared between both the state and the federal government. Any project estimated to cost over \$400,000 shall be reported to the Capital Projects and Bond Oversight Committee by the Secretary of the Finance and Administration Cabinet.

This record reflects adoption of House Floor Amendment #20 that adds Part IX language provision relating to Facility Replacement/Renovation Policy.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and the Senate with the following change:

Part I, Operating Budget, language provision relating to the transfer of TANF funds from the Cabinet for Families and Children is not provided.